



# United States Department of the Interior

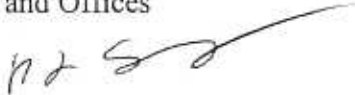
OFFICE OF THE ASSISTANT SECRETARY  
POLICY, MANAGEMENT AND BUDGET  
Washington, DC 20240



NOV 09 2004

## Memorandum

To: Heads of Bureaus and Offices

From: P. Lynn Scarlett   
Assistant Secretary – Policy, Management and Budget

Subject: Policy for Establishing and Adjusting GPRA Strategic Plan Performance Measure Targets and the Opportunity to Update Targets for FY 2005

As we implement the FY 2003-2008 Strategic Plan and a fair and unbiased performance assessment process, we need to clarify the policy and related process for updating performance measures and their targets. I also want to ensure that you are aware of the one-time opportunity to make updates/adjustments to performance measures and targets for FY 2005.

Our policy and process for interim updates to the Strategic Plan are based on the guidance provided by OMB in Circular A-11. OMB guidance allows for occasional changes to the strategic goals, the means and strategies used to achieve the goals, the key external factors, or the program evaluation schedule, as long as they are selective and do not produce widespread changes in the Strategic Plan. Circular A-11 also requires that OMB and Congress be formally informed of such adjustments in a clear and timely manner as part of the agency's performance budget sent to OMB in September and in the performance budget (congressional justification) sent to the Congress in February, respectively.

This approach reflects the underlying assumption, especially of OMB, that planned and actual performance are factors considered in developing the agency's budget estimates and that reporting on both performance measures and budget estimates in the same document is most appropriate under the principles of budget and performance integration. This practice is also consistent with the principles of conducting a responsible and effective performance assessment process, where measures and their targets are established well in advance of the start of the fiscal year, and are formally and clearly transmitted to Congress in order to be considered part of a fair and unbiased performance assessment process.

As the first year under the new FY 2003-2008 Strategic Plan is over, we want to consider adjustments to the Strategic Plan measures and strategies in light of actual experience with using it and an activity based costing structure that ties to it. As discussed at the

September meetings of the Management Initiatives Team (MIT) and the Performance Management Council (PMC), the Office of Planning and Performance Management (PPP) distributed a format (attached) for submitting changes to measures, targets, and proposed changes to strategies that can be included in the materials presented to Congress in February with the release of the FY 2006 President's Budget.

Proposed changes to Strategic Plan measures and strategies need to be provided to PPP using the attached format by November 17, 2004, so they can be reviewed by the Planning, Budget, and Financial MIT sub-team and then integrated into the materials associated with the release of the FY 2006 President's Budget. Proposed changes to performance measure targets for FY 2005 must also be provided by November 17, 2004, for consideration by PMB and OMB as part of the final negotiation of the FY 2006 President's Budget. The FY 2006 budget justifications will be the last opportunity to adjust performance measures, strategies, and target values for FY 2005 unless the FY 2005 appropriation is enacted after the finalization of materials for the FY 2006 President's Budget release. Only those targets directly and specifically affected by the FY 2005 appropriation can be adjusted at that later time within a 30 day period.

In the future, we will continue to use this same practice for establishing and revising performance measures and their targets for a fiscal year as part of that year's budget submission, first to OMB, and then updated as necessary in accordance with the President's Budget. Subsequent to the release of the President's Budget, measures and targets for the budget year can only be proposed for modification as part of the following year's budget submission to OMB and subsequent President's Budget release. The only other possible opportunity to update a fiscal year's performance measure's target would be if there are substantive changes between the President's Budget Request and the Congressional appropriation. A table is attached which displays this process, using the FY 2007 budget formulation process as an example. In taking these steps, we are ensuring the accountability and viability of our performance planning and assessment processes.

Attachments

cc: Performance Management Council

# EXAMPLE FOR DEVELOPMENT OF FY2007 BUDGET

Date	Targets for FY2005 (PY)	Targets for FY2006 (CY)	Targets for FY2007 (BY)
Departmental Budget Submission	Mid May 2005	No Change in Targets	Propose target as part of budget submission
OMB Budget Submission	Late August 2005	No Change in Targets	Adjust if necessary due to changes in budget submission
Proposals for updates to include in FY 2007 President's Budget Materials	Mid November 2005	No Change in Targets (N/A)	Last opportunity to propose updates (except for later appropriation)  No Change in Targets
FY 2007 President's Budget Release	Mid January 2006	No Change in Targets (N/A)	No Change in Targets (unless FY 2006 estimate changed in passback negotiations)  Adjust if necessary due to passback negotiations
Changes in Budgets/Supplementals/Rescissions Due to Appropriation (if after Nov 15)	Within 30 days of enactment	No Change in Targets (N/A)	Adjust if necessary due to changes between enacted appropriation and FY2006 President's Budget  No Change in Targets (N/A)

**PROPOSED MODIFICATION OF STRATEGIC PLAN MEASURE OR  
STRATEGY  
(FY 2006 BUDGET REQUEST)**

MEASURE / STRATEGY / TARGET:

ORIGINAL RATIONALE:

PROPOSED CHANGE:

REASON FOR CHANGE:

**PROPOSED MODIFICATION OF STRATEGIC PLAN MEASURE OR  
STRATEGY  
(FY 2006 BUDGET REQUEST)**

**BASELINE INFORMATION (for revised measure to be used in updating template):**

**COORDINATION WITH OTHER AFFECTED BUREAUS:**

**CONCURRENCES:**